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Lawyers' Incomes

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LAWYERS' INCOMES

The United States Department of Labor in 1951 issued its bulletin No. 998 entitled "Occupational Outlook Handbook" and some of the interesting information contained therein is as follows:

The number of lawyers and judges in the United States in late 1944 was roughly estimated at 200,000 including more than 4,000 women. About two-thirds of these lawyers, according to the 1947 survey, derived most of their professional income from independent practice either by themselves or, less often, with partners. The remainder depend on salaried positions with other lawyers, banks, labor unions, government agencies and etc. A considerable number combine both salaried and independent practice, while others do legal work on a part time basis in connection with real estate or insurance.

In mid-1950 the legal profession was overcrowded, and appeared likely to remain so during the next few years. It was conservatively estimated that about 12,000 young lawyers passed the bar examinations during 1949, and this is an all-time peak, close to twice as many as in the years just before World War II. From 4,000 to 5,000 lawyers a year are eliminated from the profession by death or retirement. The article also states that the tendency toward overcrowding in the profession will probably continue, however, unless ways are found to make legal services available to greater numbers of middle and lower income people. Opportunities for specialists are often better than for lawyers in general practice; many of the larger law firms have such specialists. Specialties with relatively good prospects in the long run are tax law, patent law, administrative law and etc. The best opportunities for lawyers usually lie in medium-size and smaller cities, especially those with prospects of economic expansion.

According to a survey made by the United States Department of Commerce, lawyers in independent practice had a median net income of about \$5,700.00 in 1948 which was nearly twice as much as in 1941. Incomes tended to be much higher in large than in small communities. Independent lawyers in places of under 1,000 population had a median income of only about \$3,100.00 in 1947 as contrasted with \$6,900.00 in cities of one million or more. Another interesting comment was that salaried lawyers, mainly in large cities, had a higher median 1947 income than their colleagues in independent practice—\$6,100.00 compared with \$5,300.00. For those in independent practice, incomes tended to increase with the size of the law firm. Practicing lawyers associated with other members in partnerships from five to eight members had a median income of \$16,800.00 as compared with \$4,300.00 for independent practitioners. Lawyers operating expenses are high, absorbing, on the average, about one-third of their gross income in 1947. Frequently, two or more lawyers share the same office to reduce overhead costs.

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